

David F. Abbott, Esq.  
 Andrew H. Schapiro, Esq.  
 MAYER, BROWN, ROWE & MAW LLP  
 1675 Broadway  
 New York, New York 10019  
 Telephone: (212) 506-2500  
 Facsimile: (212) 262-1910  
 and  
 David S. Curry, Esq.  
 John J. Voorhees, Jr., Esq.  
 Steve Sanders, Esq.  
 MAYER, BROWN, ROWE & MAW LLP  
 71 South Wacker Drive  
 Chicago, Illinois 60606  
 Telephone: (312) 782-0600  
 Facsimile: (312) 701-7711  
*Counsel to General Foods Credit Corporation*

**UNITED STATES BANKRUPTCY COURT  
 SOUTHERN DISTRICT OF NEW YORK**

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	:
<b>In re:</b>	:
	:
	: <b>Chapter 11</b>
	: <b>Case No. 05-17930</b>
<b>NORTHWEST AIRLINES CORPORATION, et al.,</b>	: <b>(ALG)</b>
<b>the Debtors.</b>	:
	: <b>Jointly Administered</b>
-----X	

**STATEMENT OF ISSUES ON APPEAL AND DESIGNATION  
 OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL**  
**[RELATED TO DOCKET NO. 7482]**

General Foods Credit Corporation (“GFCC”) files this Statement of Issues on Appeal and Designation of Items to be Included in the Record on Appeal.

1. On July 31, 2007, the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) entered an order approving the Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, and 12216 Relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, and N517XJ (the “Stipulation”) [Docket

No. 7439], which was filed in a redacted version and then entered in an unredacted version and filed under seal on August 2, 2007 [Docket No. 7447] (collectively, the “Orders”).

2. On August 8, 2007, GFCC filed its Notice of Appeal, appealing from the Stipulation and Orders.

## **I. STATEMENT OF ISSUES ON APPEAL**

3. Pursuant to Rule 8006 of the Federal Rules of Bankruptcy Procedure, GFCC states the following issues to be presented on the appeal:

- a. Whether the Bankruptcy Court erred in approving the Stipulation.
- b. Whether the Bankruptcy Court erred, including with respect to GFCC's right to due process under the Fifth Amendment to the United States Constitution, by making factual and legal findings on the merits of GFCC's tax indemnity claims and on the merits of GFCC's rights against other parties to certain aircraft leveraged lease transactions where (i) the proceedings below presented a request for approval of a settlement of another creditor's claim against Northwest Airlines, Inc. ("Northwest") pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure, and (ii) no objection had been made to the proof of claim filed against Northwest by GFCC asserting such tax indemnity claims.
- c. Whether the Bankruptcy Court erred by ruling that Northwest has been relieved of its obligation to indemnify GFCC for loss of certain tax benefits by virtue of Section 5(c) of the tax indemnity agreements between Northwest and GFCC.
- d. Whether the Bankruptcy Court erred by ruling that the portion of Stipulated Loss Value (as defined in the applicable lease agreements) that represents payment for GFCC's tax losses was pledged to the indenture trustee under the trust indentures.

## **II. DESIGNATION OF THE CONTENTS OF THE RECORD ON APPEAL**

4. Pursuant to Bankruptcy Rule 8006, GFCC designates the following items to be included in the record on appeal:

**a. Docket Entries from Case No. 05-17930:**

<b>Tab</b>	<b>Date</b>	<b>Docket Number</b>	<b>Document Title</b>
1	5/17/07	6933	Notice Of Presentment Of Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, 11001, 11002, 11003, 11004, 12216, and 12217 Relating To Aircraft N513XJ, N514XJ, N515XJ, N516XJ, N517XJ, N518XJ, N519XJ, N520XJ, N521XJ, and N522XJ
2	7/03/07	7270	Objection of General Foods Credit Corporation to Northwest Airlines Corporation's Stipulation Resolving Claims Nos. 10995, 10996, 10997, 10999, 11001, 11002, 11003, 11004, 12216 and 12217 Relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, N517XJ, N518XJ, N519XJ, N520XJ, N521XJ, and N522XJ (Filed Under Seal)
3	7/16/07	7345	Response of BAE Systems (Funding One) Limited to Objection of General Foods Credit Corporation to Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, 11001, 11002, 11003, 11004, 12216 and 12217, Relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, N517XJ, N518XJ, N519XJ, N520XJ, N521XJ and N522XJ (Filed Under Seal)
4	7/17/07	7337	Reorganized Debtors' Response to Objection Of General Foods Credit Corporation To Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, 11001, 11002, 11003, 11004, 12216 and 12217, relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, N517XJ, N518XJ, N519XJ, N520XJ, N521XJ and N522XJ
5	7/16/07	7353	Response of U.S. Bank National Association, as Trustee, to Objection of General Foods Credit Corporation to Stipulation Resolving Certain Aircraft Claims
6	7/23/07	7437	Reply Of General Foods Credit Corporation With Respect To Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, 11001, 11002, 11003, 11004, 12216, AND 12217 Relating To Aircraft N513XJ, N514XJ, N515XJ, N516XJ, N517XJ, N518XJ, N519XJ, N520XJ, N521XJ, and N522XJ
7	7/31/07	7439	So Ordered Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, and 12216 Relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, and N517XJ <b>(Redacted Version)</b>

8	8/2/07	7447	So Ordered Stipulation Resolving Claim Nos. 10995, 10996, 10997, 10999, and 12216 Relating to Aircraft N513XJ, N514XJ, N515XJ, N516XJ, and N517XJ (Filed Under Seal)
9	8/8/07	7482	Notice of Appeal

**b. Transcripts from Case No. 05-17930**

<b>Tab</b>	<b>Date</b>	<b>Docket Number</b>	<b>Document Title</b>
10	7/27/07	7451	Transcript of proceedings before Honorable Judge Alan Gropper, dated July 26, 2007
11	8/9/07	7491	Transcript of telephonic proceedings before Honorable Judge Alan Gropper, dated July 27, 2007

Dated: New York, New York  
August 20, 2007

Respectfully submitted,

GENERAL FOODS CREDIT CORPORATION

By: /s/ John J. Voorhees, Jr.  
One of Its Attorneys

David Abbott  
Andrew H. Schapiro, Esq.  
Mayer, Brown, Rowe & Maw LLP  
1675 Broadway  
New York, NY 10019-5820  
Telephone: (212) 506-2500  
Facsimile: (212) 262-1910

David S. Curry  
John J. Voorhees, Jr.  
Steve Sanders, Esq.  
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Telephone: (312) 782-0600  
Facsimile: (312) 701-7711

David F. Abbott, Esq.  
Andrew H. Schapiro, Esq. (AS9464)  
MAYER, BROWN, ROWE & MAW LLP  
1675 Broadway  
New York, New York 10019  
Telephone: (212) 506-2500  
Facsimile: (212) 262-1910  
and  
David S. Curry, Esq.  
John J. Voorhees, Jr., Esq.  
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MAYER, BROWN, ROWE & MAW LLP  
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: **Chapter 11**  
: **Case No. 05-17930 (ALG)**  
: **NORTHWEST AIRLINES CORPORATION, et al.,** :  
**the Debtors.** : **Jointly Administered**  
-----X

**CERTIFICATE OF SERVICE**

John J. Voorhees, an attorney, hereby certifies that on the 20<sup>TH</sup> day of August, 2007, he caused to be served, via email and facsimile, a true and correct copy of the **STATEMENT OF ISSUES ON APPEAL AND DESIGNATION OF ITEMS TO BE INCLUDED IN THE RECORD ON APPEAL [RELATED TO DOCKET NO . 7482]** upon (i) Bruce R. Zirinsky, Esq. ([bruce.zirinsky@cwt.com](mailto:bruce.zirinsky@cwt.com)), Barry J. Dichter, Esq. ([barry.dichter@cwt.com](mailto:barry.dichter@cwt.com)) and Nathan A. Haynes, Esq. ([nathan.haynes@cwt.com](mailto:nathan.haynes@cwt.com)) FAX: 212.504.6666; (ii) Mark C. Ellenberg, Esq. ([mark.ellenberg@cwt.com](mailto:mark.ellenberg@cwt.com)) FAX: 202.862.2400; (iii) Ken Coleman, Esq. ([ken.coleman@allenoverly.com](mailto:ken.coleman@allenoverly.com)) FAX: 212.610.6399; and (iv) Jeanne P. Darcey, Esq. ([jdarcey@eapdlaw.com](mailto:jdarcey@eapdlaw.com)) FAX: 617.227.4420 .

Dated: August 20, 2007

/s/ John J. Voorhees, Jr.  
John J. Voorhees, Jr.